EXHIBIT A

BLUE CROSS AND BLUE SHIELD OF MASSACHUSETTS, INC.
and
THE CHILDREN'S HOSPITAL CORPORATION
HOSPITAL SERVICES AGREEMENT

July 2001

This Agreement is entered into between Blue Cross and Blue Shield of Massachusetts, Inc., an independent licensee of the Blue Cross and Blue Shield Association (hereinafter referred to as "we," "our," "us" or the "Plan"), on behalf of its Products defined below, and the undersigned Hospital ("you," "your," "your hospital" or "the hospital"), a hospital licensed under G.L.c. 111 as an acute care hospital by the Commonwealth of Massachusetts.

Placeholder for comparison

Placeholder for comparison

This Agreement applies to the following products, including all associated plans:

(1) the Indemnity Product and its associated plans licensed or administered under G.L.c. 176A and/or G.L.c. 176B (including, but not limited to, the Master health Plus plan, the Comprehensive Major Medical plan, and Medex plans);

(2) the Preferred Provider Arrangement (PPA) Product and its associated plans licensed or administered under G.L.c. 176I (including, but not limited to, the Blue Care Elect plan); and

(3) the HMO Blue Product and its associated plans licensed or administered under G.L.c. 176G (including, but not limited to, the HMO Blue plan, the Network Blue plan, the Blue Choice plan, the Access Blue plan, the HMO Blue New England plan, and Managed Blue for Seniors).

You acknowledge that participation in any of these Products is not conditioned on participation in any one or more of them and that you have freely chosen to participate in these products listed above. You further acknowledge that your participation in any one Product is separately terminable from your participation in the others, meaning that if this Agreement is terminated for any one Product, such termination will not affect your participation in any of the other Products. Finally, you and we agree that participation in any of these Products constitutes a separate contractual agreement and is subject to all of the provisions of this Agreement, unless otherwise indicated. Notwithstanding the above, participation in any point of service or preferred provider arrangement Products or plans licensed or administered under G.L.c. 176I, is not conditioned on participation in any other Product.

You understand and accept that some or all of the plans associated with these Products may involve limited networks; because of this, your consent to participate in these Products does not guarantee inclusion in all plan networks. Notwithstanding the above, the Plan shall not exclude Hospital from any current and/or future insured products.

We reserve the right to offer other Products and plans licensed or administered under G.L.c. 176A, G.L.c. 176B, G.L.c. 176I or G.L.c. 176G during the term(s) of this Agreement ("New Product(s)").

health benefit plans with Primary Care Physician management of patient care, as well as Self Referral Option ("SRO") plans and any other Medicare Risk associated preferred provider arrangement plans developed by us in the future. Medicare Risk contract means the type of agreement we enter into with HCFA under Section 1876(g) of the Social Security Act to provide or arrange to provide Medicare benefits to eligible Medicare beneficiaries through a comprehensive health plan. This Agreement does not apply to Medicare Risk Products.

1.15. **Member** means any individual who is eligible to receive Covered Services from or through us, including, but not limited to, individuals and their dependents enrolled through group Accounts, or on an individual basis, or through our agreements with governmental agencies, or any member of a plan or program with which we have entered into a reciprocity or similar arrangement, including network leasing.

Indemnity Member means a Member covered under any of our Indemnity Products.

PPA Member or Blue Care Elect Member means a Member covered under the PPA Product.

HMO Blue Member means a Member covered under the HMO Blue Product.

Out-of-Area Member means a Member of a plan or program with which we have entered into a reciprocity arrangement. All such arrangements shall be limited to Members of the health plans that are independent licensees of the Blue Cross and Blue Shield Association.

Unless otherwise provided for in this Agreement, the term Member will include all of the aforementioned types of Members covered by the Products or plans to which this Agreement is applicable.

1.16. **Member Contract** means the description of Covered Services a Member is entitled to, including the application, the certificate of coverage, any amendments to the certificate of coverage, and any special agreements required by group accounts or governmental agencies, in force at any time when, during the term of this Agreement, the Member will be furnished any Covered Services by your hospital.

1.17. **Payment Benefit** means the reimbursement amount due to the hospital from both us and a Member for Covered Services provided to the Member, inclusive of Copayment amounts, but exclusive of Private Accommodation differentials as determined in accordance with Section 4.8.

1.18. **Plan Provider** means a professional, institutional, or ancillary health care provider that has a written payment agreement(s) by Product line with us to provide Covered Services to Members.

1.19. **Primary Care Physician** means a physician practicing in the specialty of internal medicine, family medicine or pediatrics who is a Plan Provider and who is responsible for supervising, coordinating, and rendering initial and all primary physician Covered

Services to Members of the HMO Blue Product, initiating referrals to other Plan Providers, and coordinating all medical care for Members of the HMO Blue Product.

1.20. **Private Accommodation** means any accommodation limited to one patient and publicly designated by the hospital as a Private Accommodation.

1.21. **Specialty Care Physician** means a physician who specializes in a medical practice or subspecialty other than, or in addition to, those listed in Section 1.19 of this Agreement who is a Plan Provider, and who is responsible for rendering specialty physician Covered Services to Members of the HMO Blue Product pursuant to a referral by a Primary Care Physician or by us.

2. HOSPITAL SERVICES AND MEDICAL MANAGEMENT PROGRAM

2.1. **Covered Services.** Subject to the policies and procedures set forth or referenced in this Agreement, the Hospital agrees to provide to Members those inpatient and outpatient Covered Services for which the Hospital is duly licensed. The Hospital agrees to abide by all of the terms and conditions of this Agreement as they apply to Products and Members covered by this Agreement. All terms and conditions apply to all Products and Members covered by this Agreement, unless specifically provided otherwise.

2.2. **Standards of Care.** You agree to provide services to Members in accordance with generally accepted standards of sound patient care and, to the extent consistent with these standards in accordance with the terms and conditions of this Agreement, the Member's Contract, and our objective to provide to our Members comprehensive, quality, cost-effective inpatient, ambulatory and emergency hospital services in the optimal setting. You agree to provide the same quality of care to Members as you provide to your other patients.

2.3. **Course of Treatment.** To the extent permitted under your hospital's license, you will be responsible for providing proper care and treatment to all your patients. You agree to use your own independent judgment as to the proper course of the care, treatment or conduct of your patients without regard to any agreement, provision, or, understanding with us contained in this Agreement or elsewhere, whether expressly or by implication.

2.4. **Plan Programs.** You agree to comply with our Medical Management Program, our quality improvement programs and any related requirements set forth in state and federal laws and regulations or this Agreement. The Plan shall ensure that medical management decisions are based only on appropriateness of care and service. The Plan shall consult with pediatric Plan Providers, including your affiliated primary care and specialty physicians, as it develops and implements medical necessity protocols related to pediatric care, quality improvement programs and medical management procedures.

In accordance with Massachusetts law, this Agreement does not contain any incentive plan that includes a specific payment made to a health care professional as an inducement to reduce, delay, or limit specific Covered Services that are medically Necessary and appropriate. The parties acknowledge that the payment provisions of this Agreement do not compensate the Hospital for providing Covered Services that are not

outpatient charge information, coding information, or data submitted on claims so that we may validate services provided and coding or charges received. If agreed to by the Operations Work Group, such examinations shall take place no more than once during a three-month period.

4. BILLING AND PAYMENT TERMS

4.1 **Payment for Covered Services Other Than Mental Health and Substance Abuse Services.** We agree to make payment to your hospital pursuant to Exhibit A for Covered Services, other than mental health and substance abuse services, that are provided to Members in accordance with the terms and provisions specified in this Agreement. You agree to accept such payment from us as payment in full of our obligation for such Covered Services.

4.2 **Market Covenant for the HMO Blue Product.** You agree that during the Term of this Agreement, You will not knowingly disadvantage the Plan in the marketplace in terms of the financial arrangements you make with other major health maintenance organizations licensed under Chapter 176G of the Massachusetts General Laws ("Payers"). You represent and warrant that in all new contracts and renewals of existing contracts that you apply the same contracting principle to other Payors as the contracting principle applied in developing the rates set forth in Exhibit A, i.e., that rates must adequately reimburse the cost of care and allow for a margin. You will provide us with a reasonable opportunity to verify your compliance with this Section 4.2, consistent with confidentiality and legal standards applicable to such Payer agreements.

4.3 **Payment for Mental Health and Substance Abuse Services**

4.3.1 For Members of the HMO Blue Product who present at your hospital requiring mental health and substance abuse services, you agree to follow the protocols set forth in exhibit C. To the extent they do not conflict with the provisions of Exhibit C, all other provisions of the Agreement will remain in full force and effect. Such protocols may be modified by us at any time during the term(s) of this Agreement with thirty (30) days prior written notice. You agree to seek payment for Covered Services solely in accordance with the provisions of Exhibit C. You agree to accept such payment from us or our agents as payment in full of our obligation for such Covered Services.

4.3.2 For Members of Indemnity and PPA Products who present at your hospital requiring mental health and substance abuse services, we agree to make payment to your hospital pursuant to Exhibit A for Covered Services. You agree to accept such payment from us as payment in full of our obligation for such Covered Services.

4.4 **Payment for Plans With An Out-of-Network Benefit.** For point of service ("POS") plans, with an out of network benefit that is not covered by an Indemnity Product, we will pay you for in-network and out-of-network Covered Services other than mental health and substance abuse services in accordance with the HMO Blue Product rates of payment, as applicable, set forth in Exhibit A of this Agreement and for in-network and

5. MEMBER BILLING

5.1. **Member Hold Harmless/Guarantee of Benefits.** You agree that in no event, including but not limited to non-payment by us, our insolvency or breach of this Agreement, will you bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a Member or persons (other than us) acting on the Member's behalf for services provided under this Agreement. This provision does not prohibit you from collecting Copayments, as specifically provided in the Member Contracts, or fees for non-Covered Services delivered on a fee-for-service basis to Members when the Member was notified in advance in writing that such services are not covered, and your hospital obtained the Member's written assent to be billed, or collecting payments as otherwise allowed in this Agreement.

You agree that in the event of our insolvency or other cessation of operations, benefits to Members will continue through the period for which premiums have been paid, and benefits to Members confined in an inpatient facility on the date of insolvency or other cessation of operations will continue until their discharge. You agree that these provisions shall survive the termination of this Agreement regardless of the reason for termination, including our insolvency, and shall be construed to be for the benefit of Members.

You agree that these provisions supersede any oral or written contrary agreement now existing or hereafter entered into between your hospital and a Member or persons acting on behalf of a Member insofar as such contrary agreement relates to liability for payment for, or continuation of Covered Services provided under the terms and conditions of these clauses.

Further, neither we nor you may make any change in the provisions of this section without the prior written approval of the Commonwealth of Massachusetts Division of Insurance or HCFA.

5.2. **Disenrolled Members.** If a Member has been disenrolled from a Product or plan retroactively or otherwise, and you provided services to the former Member with or without our authorization after enrollment was terminated, you agree to bill the former Member or his or her insurance carrier directly for such services. We shall have no liability for these services. A Member's eligibility will be determined consistent with the relevant Member Contract. We will use our best efforts to limit all account retroactive Member disenrollment to thirty (30) days where possible, except for the Federal Employees Health Benefit Plan, the Group Insurance Commission and other groups for which disenrollment is expressly allowed beyond ninety (90) days. In no event will we make any adjustments to claims later than ninety (90) days from the date of disenrollment, unless pursuant to an Account for which disenrollment past ninety (90) days is expressly allowed. Upon your written request, we will provide you information in our possession that would assist you in your billing efforts when disenrollment occurs retroactively.